

CANADIANA

JUN 9 1993

# CHILD CARE SUBSIDY POLICY MANUAL





# RECORD OF MANUAL AMENDMENTS

FAMILY AND SOCIAL SERVICES

Amendment List No.	Dated	Entered by	Date	Amendment List No.	Dated	Entered by	Date
LIST NO.		Бу		LIST NO.		Бу	
						The second	
			100				

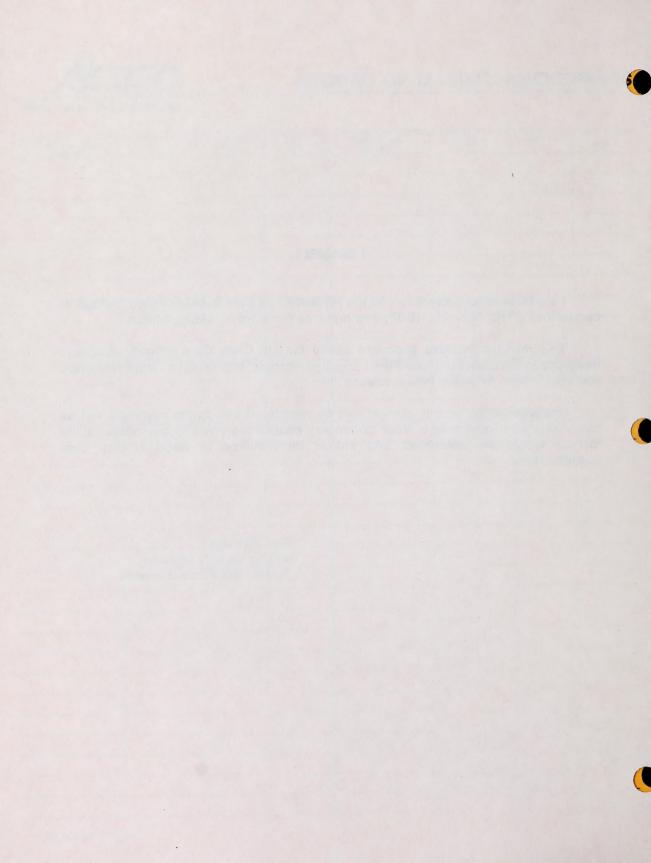
### PREAMBLE

I am pleased to present to you the revised Child Care Subsidy Policy Manual. It comes into effect May 15, 1993, and replaces the April 1, 1989, edition.

This manual provides approved policy for the Child Care Subsidy Program. Revisions to the manual include Plain Language wording, deletion of outdated material, and clarification of policy where needed.

Implementation of this manual will be monitored and future revisions will be made whenever necessary. Your comments concerning any improvements to the manual would be welcomed, and should be provided to Regional Day Care Coordinators.

Don Fleming Acting Deputy Minister Family and Social Services





FAMILY AND SOCIAL SERVICES SECTION	SUBJECT	PAGE		
	HOW TO USE THE MANUAL	231 19 10 1 1005		
PIRD(S) FIND		DATE 15/05/93		
SUMMARY	specific information as quickly			
	To allow users to find what the	al has been organized been achieved throug d the breakdown of		
DIVISIONS		are physically separated by numbered dividers and		
SECTIONS		<u>Sections</u> - The major divisions are broken into sections and are numbered consecutively from 01.		
SUBJECTS		<u>Subjects</u> - Each section is broken into subjects and is numbered consecutively from 01.		
NUMBERING SYSTEM	The numbering system identifinformation. The six numerical hand corner of the page ident the Section; and the Subject. digits are preceded by two all which denote the manual's tit	al digits at the top rigi ify the Major Division; These six numerical phabetic characters		
EXAMPLE	DS-02-02-01			
	DS - Day Care Programs Sub (same for every page of			
	02 - The second major divisi 02, which in this manua			
	02 - The second section of t the topic of Attendance			
	01 - The first subject of that	section is Enrollment		

Commitment.

CONTROL PAGES	HOW TO USE THE MANUAL		PAGE 2	
celecter sinc		DATE	15/05/93	
FINDING INFORMATION	Refer to the divider marked "index and section in the manual is listed			

WHAT TO DO

and section in the manual is listed here in at least three ways. This makes the index comprehensive and useful. You should be able to find anything you need. Turn to the index first. It is in alphabetical order.

Look up the desired subject.

Note the six digit location number.

Turn to that location number.

**AMENDMENTS** 

Amendments should be inserted in your manual as soon as they are received.

The amendment number and date should be recorded on the amendment record found at the front of this manual behind the title page. These amendments are in numerical sequence. If there is a gap, indicating you have not received an amendment, contact:

Day Care Programs
Alberta Family and Social Services
11th Floor, Seventh Street Plaza
10030 - 107 Street
Edmonton, Alberta
T5J 3E4

DISTRIBUTION

Extra copies of this manual can be obtained through Day Care Programs. To keep our distribution list accurate, we ask that you:

- Do not duplicate this manual.
- Advise Day Care Programs, Alberta Family and Social Services, if the address of manual holders change.



SECTION
CONTROL PAGES

SUBJECT
TABLE OF CONTENTS

PAGE 1

DATE

15/05/93

CONTENTS	LOCATION
- Title Page - Amendment Record - How to Use This Manual - Table of Contents - Subject Index - Definitions	00-00-01 00-00-02 00-00-03 00-00-04 00-00-05 00-00-06
- Employed/Self-Employed - Job Seeking - Student	02-01-01 02-01-02 02-01-03
- Special Needs	02-01-04
02 ATTENDANCE REQUIREMENTS	
<ul> <li>Enrollment Commitment</li> <li>Full Eligible Subsidy Benefits</li> <li>Partial Eligible Subsidy Benefits</li> <li>Mid-Month Start/Transfers and Terminations</li> <li>Ongoing Placement in Two Facilities</li> <li>Special Needs - Children and Parents</li> <li>Extenuating Circumstances</li> </ul>	02-02-01 02-02-02 02-02-03 02-02-04 02-02-05 02-02-06 02-02-07
	- Title Page - Amendment Record - How to Use This Manual - Table of Contents - Subject Index - Definitions  - Purpose of Child Care Subsidy Program - General Provisions - Programs Covered - Eligibility - Fraud/Cancellation of Benefits - Complaints/Appeals  O1 REASON FOR REQUIRING CHILD CAR - Employed/Self-Employed - Job Seeking - Student - Special Needs  O2 ATTENDANCE REQUIREMENTS  - Enrollment Commitment - Full Eligible Subsidy Benefits - Partial Eligible Subsidy Benefits - Mid-Month Start/Transfers and Terminations - Ongoing Placement in Two Facilities - Special Needs - Children and Parents



SECTION CONTROL PAGES	TABLE OF CONTENTS	PAGE 2
(0.00.0)		DATE 15/05/93
DIVISION	CONTENTS	LOCATION
	<ul><li>Child Care Facility Closures</li><li>Chronic Illness</li></ul>	02-02-08 02-02-09

DIVISION	CONTENTS	LOCATION
	<ul><li>Child Care Facility Closures</li><li>Chronic Illness</li></ul>	02-02-08 02-02-09
03 Calculation of Subsidy	01 GENERAL CRITERIA	03-01-01
	02 NET FAMILY INCOME	
	<ul> <li>Income from Employment</li> <li>Other Declarable Income</li> <li>Excluded Income</li> <li>Allowable Deductions and Special Expenses</li> <li>Excluded Deductions</li> <li>Self-Employment</li> </ul>	03-02-01 03-02-02 03-02-03 03-02-04 03-02-05 03-02-06
04 Rate Structure	01 GENERAL	
	- Minimum and Maximum Subsidy Assessment	04-01-01
99 Appendix	01 QUALIFYING INCOME LEVELS	
	- Determination of Benefits	99-01-01



SECTION CONTROL PAGES

SUBJECT SUBJECT INDEX

DATE 15/05/93

	-		
v	۸	V	
v	-	۵	

Absences	
. attendance requirements	DS-02-02
. chronic illness	DS-02-02-09
. extenuating circumstances	DS-02-02-07
Adult Training Allowance	
. declarable income	DS-03-02-02
Alberta Health Care arrears	
. excluded deduction	DS-03-02-05
Allowable Deductions	
. calculation of subsidy	DS-03-02-04
Appeals	DS-01-01-06
Wolfawconcerns	
Applicant	Baneflox
. definition	DS-00-00-06
Application	
. parent/subsidy	DS-01-01-02
Assessment	
. minimum and maximum subsidy	DS-04-01-01
Assured Income for the Severely Handicapped (AISH)	
. allowable deduction	DS-03-02-04
. excluded income	DS-03-02-03
. maximum benefits	DS-04-01-01
Attendance	
. extenuating circumstances	DS-02-02-07
. facility closures	DS-02-02-08
. full eligible subsidy benefits	DS-02-02-02
. less than 100 hours	DS-02-02
. mid-month start/transfers and terminations	DS-02-02-04
. ongoing in two facilities	DS-02-02-05
. over-utilization	DS-02-02-03



CONTROL PAGES  SUBJECT INDEX	PAGE 2
Contraction of the second of t	DATE 15/05/93
. partial eligible subsidy benefits	DS-02-02-03
. requirements (eligibility)	DS-02-02-01
. single placement	DS-02-02-04
. Special Needs, children/parents	DS-02-02-06
. two or more placements	DS-02-02-04
. under-utilization	DS-02-02-03
Authority policy	DS-01-01-02
Authorized Hours . attendance requirements	DS-02-02-01
Awaiting Pay	DS-02-01-01
B 10-11-20	
Benefits	
. cancellation of . maximum subsidy	DS-01-01-05 DS-04-01-01
Books	
. allowable deduction	DS-03-02-04
Bursaries	
. declarable income	DS-03-02-02
0.51.52.50	
C	
Camp Food	
Camp Fees . allowable deduction	DS-03-02-04
Canada Pension Plan	
. allowable deductions	DS-03-02-04
declarable income	DS-03-02-04 DS-03-02-02
Cancellation of Benefits	
. suspected fraud	DS-01-01-05



SECTION CONTROL PAGES	SUBJECT INDEX	PAGE 3
		DATE 15/05/93
Car Allowance . excluded income		DS-03-02-03
Changes . authorized hours . reporting	•	DS-02-02-03 DS-01-01-02
Child  . abuse . care expenses/allowab . care facility closures . Care Subsidy Program . care subsidy/definition . specific/subsidy . support/allowable dedu . support/declarable inco . welfare payments/excl	/principles/purpose uction ome	DS-01-01-06 DS-03-02-04 DS-02-02-08 DS-01-01-01 DS-00-00-06 DS-01-01-02 DS-03-02-04 DS-03-02-02 DS-03-02-03 DS-01-01-06
Child Benefit . excluded income		DS-03-02-03
Children in Need (Guardian solution of subsidy excluded income	Social Allowance)	DS-03-01-01 DS-03-02-03
Chronic Illness . attendance requirement	nts	DS-02-02-09
Claim . definition		DS-00-00-06
Closures . facilities . involuntary		DS-02-02-08 DS-02-02-08
Clothing (mandatory) . allowable deduction		DS-03-02-04

CONTROL PAGES	SUBJECT INDEX	PAGE 4	
		DATE 15/05/93	
Commissions . income from employment		DS-03-02-01	
Common-law . definition		DS-00-00-06	
Complaints . child welfare . non-subsidy . parents and operators . procedures . subsidy		DS-01-01-06 DS-01-01-06 DS-01-01-06 DS-01-01-06	
Confidentiality of information		DS-01-01-02	
D			
Declarable Income . calculation of subsidy		DS-03-02-02	
Deductions . allowable . excluded . involuntary . verification		DS-03-02-04 DS-03-02-05 DS-03-02-04 DS-03-02-04	
Deficits . self-employment		DS-03-02-06	
Definition of Terms		DS-00-00-06	
Dental Plan Premiums . allowable deduction		DS-03-02-04	
Dependent Children . definition . family unit		DS-00-00-06 DS-03-01-01	



SECTION CONTROL PAGES	SUBJECT INDEX	PAGE 5
		DATE 15/05/93
Determination of Benefits . calculation of subsidy		DS-99-01-01
E		
-		
Earnings of Dependent Children excluded income		DS-03-02-03
Eligibility for Subsidy . attendance requirements		DS-02-02-01
<ul> <li>criteria</li> <li>employed/self-employed</li> <li>exclusions</li> </ul>		DS-01-01-04 DS-02-01-01 DS-01-01-04
. foster parents . job seeking		DS-01-01-04 DS-01-01-04 DS-02-01-02
. joint custody . programs		DS-01-01-04 DS-01-01-03
. special needs . student	(CFI) sociaiones	DS-02-01-04 DS-02-01-03
. Supports for Independence ( . Treaty Indians	(SFI) recipients	DS-01-01-04 DS-01-01-04
Employment		DC 02 01 01
. awaiting pay . eligibility		DS-02-01-01 DS-02-01-01
. income		DS-02-01-01
. minimum wage requirement . verification		DS-02-01-01 DS-02-01-01
Enrollment		
. authorized hours . commitment		DS-02-02-01 DS-02-02-01
. full eligible subsidy benefits		DS-02-02-01 DS-02-02-02
. partial eligible subsidy benef	fits	DS-02-02-03
Exclusions . deductions		DC 00 00 07
. definition		DS-03-02-05 DS-00-00-06
. facilities		DS-01-01-03

CONTROL PAGES	SUBJECT INDEX	PAGE 6
	·	DATE 15/05/93
. foster parents/eligibility		DS-01-01-04
. income		DS-03-02-03
Expenses		
. allowable deductions		DS-03-02-04
. irregular . special		DS-03-02-04 DS-03-02-04
		20 00 02 04
Extended Hours of Care allowable deduction		DS-03-02-04
. definition		DS-03-02-04 DS-00-00-06
Extenuating Circumstances . attendance requirements		DS-02-02-07
. accondunes requirements		20 02 02 07
F		
Facilities		
. closure		DS-02-02-08
. mid-month start/transfers and	terminations	DS-02-02-04
. ongoing placement in two . single placement		DS-02-02-05 DS-02-02-04
suspected fraud		DS-02-02-04 DS-01-01-05
. two or more placements		DS-02-02-04
Family Day Homes		DS-01-01-03
Family Monthly Net Income		
. definition		DS-00-00-06
Family Unit		
. calculation of subsidy		DS-03-01-01
. definition		DS-00-06
Fees		
. determination of benefits		DS-99-01-01
. more than subsidy maximum		DS-04-01-01
. parental responsibility		DS-04-01-01



CONTROL PAGES	SUBJECT INDEX	PAGE 7
		DATE 15/05/93
Foster Parents		
. excluded from subsidy		DS-01-01-04
Fraud (suspected)		
<ul> <li>cancellation of benefits</li> <li>client/facility</li> </ul>		DS-01-01-05 DS-01-01-05
Full Eligible Subsidy Benefits . attendance requirements		DS-02-02-02
G		
Gainful Employment . definition		DC 00 00 06
. minimum wage requirement		DS-00-00-06 DS-02-01-01
Garnisheed Wages . declarable income		DS-03-02-01
. excluded deduction		DS-03-02-01
. excluded income		DS-03-02-03
Government transfer payments . declarable income		DS-03-02-02
Gratuities		
. income from employment		DS-03-02-01
GST Credits . excluded income		DC 02 02 02
		DS-03-02-03
Guardian Social Allowance . calculation of subsidy		DS-03-01-01
. excluded income		DS-03-02-03
н		
Handicapped		
. excluded income		DS-03-02-03

CONTROL PAGES	SUBJECT INDEX	PAGE 8
		DATE 15/05/93
Health Care Premiums		
. allowable deduction		DS-03-02-04
Health Costs		
. special expense		DS-03-02-04
Holidays . closures		DS-02-02-08
. Closules		D3-02-02-08
Illness		
. attendance requirements . chronic		DS-02-02-02 DS-02-02-09
. extenuating circumstances		DS-02-02-07
Income, Declarable		
. bursaries and scholarships		DS-03-02-02
child support garnisheed wages		DS-03-02-02 DS-03-02-01
<ul> <li>garmsneed wages</li> <li>government transfer payments</li> </ul>		DS-03-02-01 DS-03-02-02
. investments		DS-03-02-02
. maintenance grants		DS-03-02-02
. pension		DS-03-02-02
. rent		DS-03-02-02
. salaried employment		DS-03-02-01
. test/definition		DS-00-00-06
Income, Excluded		
. Assured Income for the Severe	ely Handicapped (AISH)	DS-03-02-03
. car allowance . Child Benefit		DS-03-02-03 DS-03-02-03
. Child Welfare maintenance pay	/ments	DS-03-02-03
. earnings of dependent children		DS-03-02-03
. garnisheed wages		DS-03-02-03
. GST credits		DS-03-02-03
. Guardian Social Allowance		DS-03-01-01
		DS-03-02-03
. Indian Affairs Welfare Benefits		DS-03-02-03



SECTION CONTROL PAGES	SUBJECT INDEX	PAGE 9
		DATE 15/05/93
. Northern Allowance		DS-03-02-03
<ul> <li>student loan</li> <li>Supports for Independent</li> <li>tax rebates</li> </ul>	ce benefits	DS-03-02-03 DS-03-02-03 DS-03-02-03
Income Tax . allowable deduction		DS-03-02-04
Indian . facilities on reserves	blo incomo	DS-01-01-04 DS-03-02-02
. royalty payments/declara Indian Affairs Welfare Benefits	ble income	DS-03-02-02
allowable deductions     excluded income     maximum subsidy		DS-03-02-04 DS-03-02-03 DS-04-01-01
Investments . declarable income		DS-03-02-02
Involuntary Deductions . allowable deductions		DS-03-02-04
Irregular Expenses . allowable deductions		DS-03-02-04
Isolated Community Allowance . excluded income		DS-03-02-03
J K		
Job Seeking		DS-02-01-02
Joint Custody . eligibility for subsidy		DS-01-01-04

CONTROL PAGES	SUBJECT INDEX	PAGE 10
		DATE 15/05/93
L		
Living Expenses (dual) . allowable deduction		DS-03-02-04
Losses . self-employment		DS-03-02-06
M		
Maintenance grants . declarable income.		DS-03-02-02
Maintenance payments . allowable deduction . declarable income . income tax		DS-03-02-04 DS-03-02-02 DS-03-02-04
Maximum Subsidy Benefits		DS-04-01-01
Mid-Month Start/Transfers and Terming . attendance requirements	nations	DS-02-02-04
Minimum Family Assessment		DS-04-01-01
Minimum Wage Requirement		DS-02-01-01
Mothers, Teen . Special Needs		DS-02-01-04
N		
Non-Class Hours . students		DS-02-01-03
Northern Allowance . excluded income		DS-03-02-03



SECTION CONTROL PAGES	SUBJECT INDEX	PAGE 11
		DATE 15/05/93
o		
Old Age Security Payments . declarable income		DS-03-02-02
Ongoing Placement in Two Facilities . attendance requirements		DS-02-02-05
Out-of-School Care Costs . allowable deduction		DS-03-02-04
Over-Utilization . of authorized hours		DS-02-02-03
P		
Parental Responsibility		DS-01-01-02
Parking Fees . allowable deduction . excluded deduction		DS-03-02-04 DS-03-02-05
Part-Time student		DS-02-01-03
Partial Eligible Subsidy Benefits . attendance requirements		DS-02-02-03
Payment . maintenance . of subsidy (general)		DS-03-02-04 DS-01-01-02
Pension . allowable deductions . declarable income		DS-03-02-04 DS-03-02-02
Personal Use Benefits . self-employment		DS-03-02-06

SECTION CONTROL PAGES	SUBJECT INDEX	PAGE	12
		DATE	15/05/93
Placement (attendance requirements) . ongoing in two facilities . single . two or more		DS-0	02-02-05 02-02-04 02-02-04
Preschool Age Child . definition		DS-0	00-00-06
Professional Services . allowable deduction		DS-	03-02-04
Program Values . subsidy program		DS-	01-01-01
QR			
Rate Structure . minimum/maximum subsidy		DS-	04-01-01
Reason for Requiring Child Care . employed/self-employed . job seeking . special needs . student		DS-0	02-01-01 02-01-02 02-01-04 02-01-03
Rent . declarable income		DS-0	03-02-02
Rental Property Expenses . allowable deductions		DS-0	03-02-04
Room and Board . income from employment		DS-0	03-02-01
s			
Salaried Employment . declarable income		DS-0	03-02-01



SECTION CONTROL PAGES	SUBJECT INDEX	PAGE 13
		DATE 15/05/93
Scholarships		
. declarable income		DS-03-02-02
Self-Employment		
. calculation of subsidy		DS-03-02-06
. categories		DS-02-01-01
. definition		DS-00-00-06
. eligibility		DS-02-01-01
existing business		DS-03-02-06
. first party		DS-02-01-01
		DS-03-02-06
. income/definition		DS-00-00-06
. losses		DS-03-02-06
. minimum wage requirement		DS-02-01-01
. net income		DS-03-02-06
. new business		DS-03-02-06
. non-allowable deductions		DS-03-02-06
. second party		DS-02-01-01
	•	DS-03-02-06
Semester Breaks		
. closures		DS-02-02-08
Shelter Expenses		
. excluded deduction		DS-03-02-05
Social Club Fees		
. excluded deduction		DS-03-02-05
Special Expenses		
. allowable deduction		DS-03-02-04
Special Needs		
. attendance requirements		DS-02-02-06
. child		DS-02-01-04
. eligibility		DS-02-02-06
. high risk teen mothers		DS-02-01-04
. limitations		DS-02-01-04
. parent/guardian		DS-02-01-04
. training needed		DS-02-01-04

SUBJECT PAGE SECTION SUBJECT INDEX 14 CONTROL PAGES DATE 15/05/93 Students . attendance DS-02-01-03 correspondence courses DS-02-01-03 DS-03-02-02 . declarable income DS-02-01-03 . eligible programs . full-time/part-time status DS-02-01-03 . loans/excluded income DS-03-02-03 . non-class hours DS-02-01-03 . spring/summer sessions DS-02-01-03 . tuition/allowable deduction DS-03-02-04 verification of status DS-02-01-03 Subsidy . amount DS-03-01-01 . application DS-01-01-02 DS-04-01-01 . assessment authorized hours DS-02-02-01 . calculation of DS-03-01-01 DS-99-01-01 . cancellation of benefits DS-01-01-05 . changes (reporting) DS-01-01-02 . child specific DS-01-01-02 Children In Need (Guardian Social Allowance) DS-03-01-01 . confidentiality DS-01-01-02 . determination of benefits DS-99-01-01 . eligibility DS-01-01-04 DS-01-01-03 eligible programs . excluded income DS-03-02-03 exclusions (facilities) DS-01-01-03 . exclusions (foster parents) DS-01-01-04 DS-03-01-01 . family unit . fraud (suspected) DS-01-01-05 . full eligible benefits DS-02-02-02 . income DS-03-02-01 . joint custody DS-01-01-04 . maximum benefits DS-04-01-01 . minimum family assessment DS-04-01-01 DS-01-01-02 . parental responsibility . partial eligible benefits DS-02-02-03 DS-01-01-02 . payment (general)



SECTION CONTROL PAGES	SUBJECT INDEX	PAGE 15
		DATE 15/05/93
. period		DS-01-01-02
. service on Indian reserves		DS-01-01-04
. temporary caregiver		DS-03-01-01
. unmarried parents		DS-03-01-01
Subsidy Program		
. authority	*	DS-01-01-02
. principles		DS-01-01-01
. purpose		DS-01-01-01
. values		DS-01-01
Support Payments (Child)		
. allowable deduction		DS-03-02-04
. declarable income		DS-03-02-02
Supports for Independence (SFI)		
. eligibility		DS-01-01-04
. excluded income		DS-03-02-03
. income testing		DS-04-01-01
. maximum subsidy		DS-04-01-01
. minimum assessment		DS-04-01-01
Surcharge		
. fees over subsidy maximum		DS-04-01-01
Survivor's Benefits		
. declarable income		DS-03-02-02
_		
Т		
Tax Rebates		
. excluded income		DS-03-02-03
Teen Mothers		
. Special Needs		DS-02-01-04
Temporary Caregiver		
. calculation of subsidy		DS-03-01-01

CONTROL PAGES	SUBJECT INDEX	PAGE 16
		DATE 15/05/93
Terminations . attendance requirements		DS-02-02-04
Tips . income from employment		DS-03-02-01
Tools . allowable deduction		DS-03-02-04
Training . allowance/ declarable income . special needs		DS-03-02-02 DS-02-01-04
Transfers . attendance requirements		DS-02-02-04
Transportation Costs . excluded deduction		DS-03-02-05
Treaty Indians . eligibility		DS-01-01-04
U		
Under-Utilization . of authorized hours		DS-02-02-03
Unemployment Insurance . allowable deductions . declarable income		DS-03-02-04 DS-03-02-02
Uniforms . allowable deductions		DS-03-02-04
Union Dues . allowable deductions		DS-03-02-04
Unmarried Parents (under 18 years of . calculation of subsidy	age)	DS-03-01-01

DS-03-02-02

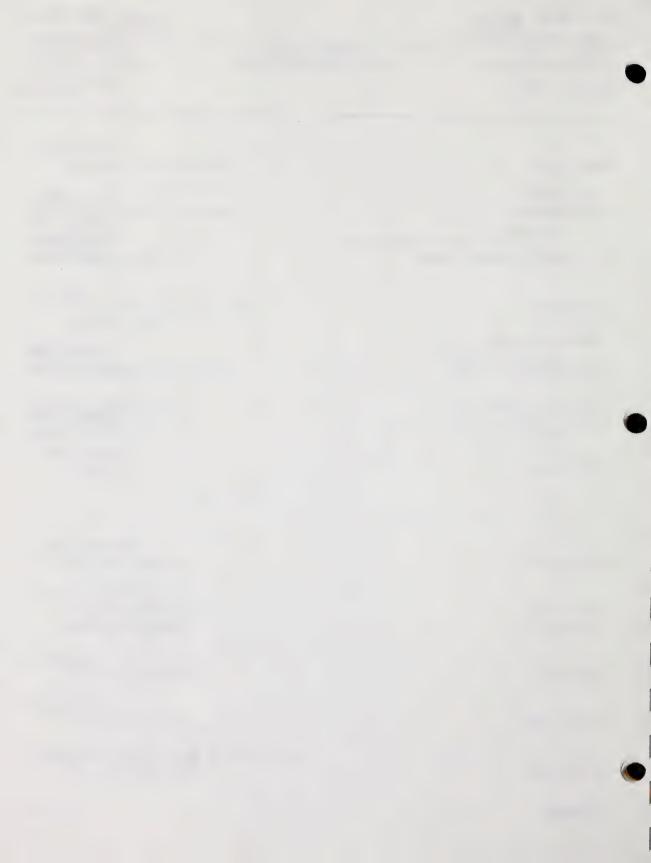


. declarable income

SECTION CONTROL PAGES	SUBJECT INDEX	PAGE 17
		DATE 15/05/93

### ν

v	
Verification . definition . employment . income from salaried employment . other declarable income	DS-00-00-06 DS-02-01-01 DS-03-02-01 DS-03-02-02
w x y z	
Widows' Pension . allowable deduction . declarable income	DS-03-02-04 DS-03-02-02
Workers' Compensation	DS-03-02-04





CONTROL PAGES	SUBJECT DEFINITIONS	PAGE 1	
		DATE 15/05/93	
APPLICANT	The person applying for child care e.g., parent, legal guardian, or gu		
CHILD CARE SUBSIDY	A financial benefit made by the Provincial Government to assist eligible families with the cost of child care expenses.		
CLAIM	A turnaround document which is facility/Family Day Home Agency naming children attending the fac completes the claim and submits purposes. Subsidy is paid to the this process, as well as other elig programs.	on a monthly basis ility. The operator it for payment operator through	
COMMON-LAW RELATIONSHIP	A man and a woman who have not been married in a ceremony recognized as legal, but who consider themselves as husband and wife and maintain a household.		
DEPENDENT CHILD	An unmarried person under 18 years of age living in the home and financially dependent on the applicant.		
EXCLUDED, EXCLUSION	Not allowed.		
EXTENDED HOURS OF CARE	Hours of care over and above a day care centre's normal day.		
FAMILY MONTHLY NET INCOME	The combined gross income of persons in the family unit 18 years of age and older, less allowable deductions and special expenses.		
FAMILY UNIT	Includes the applicant, the spouse common-law union, and unmarrie 18 years of age living in the home dependent on the applicant.	ed children under	
GAINFUL EMPLOYMENT	Full- or part-time employment for receives an income not less than for the Province of Alberta for the	the minimum wage	



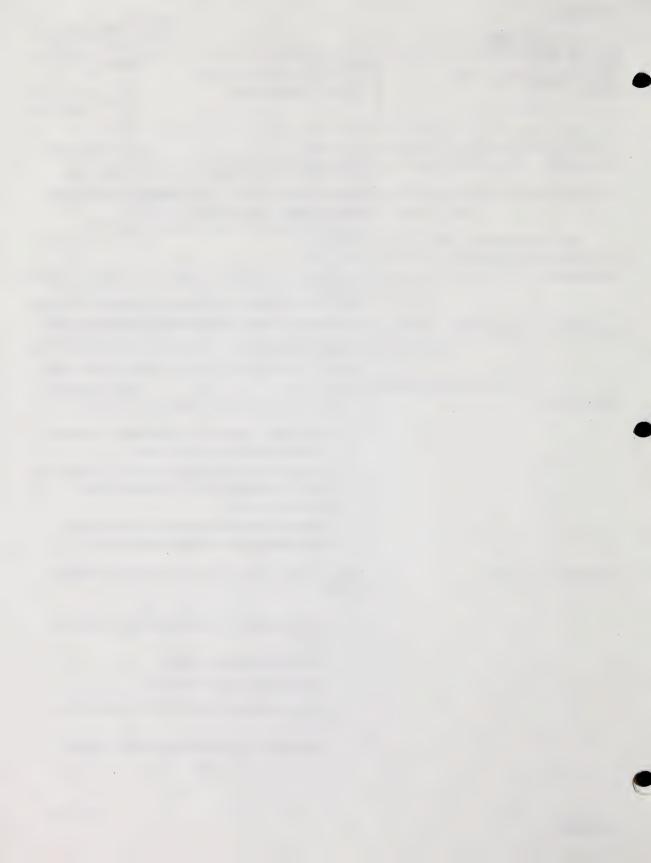
CONTROL PAGES  SUBJECT DEFINITIONS		PAGE 2
		DATE 15/05/93
INCOME TESTED	Assessment of income for eligibility where assets are generally excluded	
PRESCHOOL AGE CHILD	A child who has not yet enrolled in and is under 7 years of age.	the first grade
SELF-EMPLOYED	A person whose working conditions determined by another and from wh statutory deductions are taken at the payment for services.	ose earnings no
SELF-EMPLOYMENT INCOME	Income after business expenses and deductions allowable under the Chil Program are subtracted.	
VERIFICATION	Confirmation of truth or accuracy.	



GENERAL INFORMATION	PAGE PURPOSE OF CHILD CARE 1	
	SUBSIDY PROGRAM  DATE 15/05/93	
SUMMARY	The intent of this Division is to provide general information on the Child Care Subsidy Program. Topics covered include: purpose of the program, general provisions, applicant eligibility, fraud/cancellation of benefits and applicant complaints.	
PURPOSE	The Child Care Subsidy Program is a financial benefit program established to help eligible families pay child care costs for preschool aged children enrolled in licensed centres, or approved family day homes. The parent(s) must be either working, attending an educational institution, or seeking employment. The parent(s) or child(ren) may also have special needs.	
PRINCIPLES	The Child Care Subsidy Program is designed to:	
	<ul> <li>ensure that eligible families have a choice of affordable child care services;</li> </ul>	
	<ul> <li>promote family independence and support the family's responsibility for financial self- sufficiency; and</li> </ul>	
	<ul> <li>ensure minimal intrusion into the family's responsibilities, dynamics and affairs.</li> </ul>	
PROGRAM VALUES	The principles are supported through the following values:	
	Efficient, effective and courteous customer service	
	<ul> <li>Ethical behaviour of staff</li> </ul>	
	<ul> <li>Equitable treatment of clients</li> </ul>	
	<ul> <li>Stewardship of expenditure of government</li> </ul>	

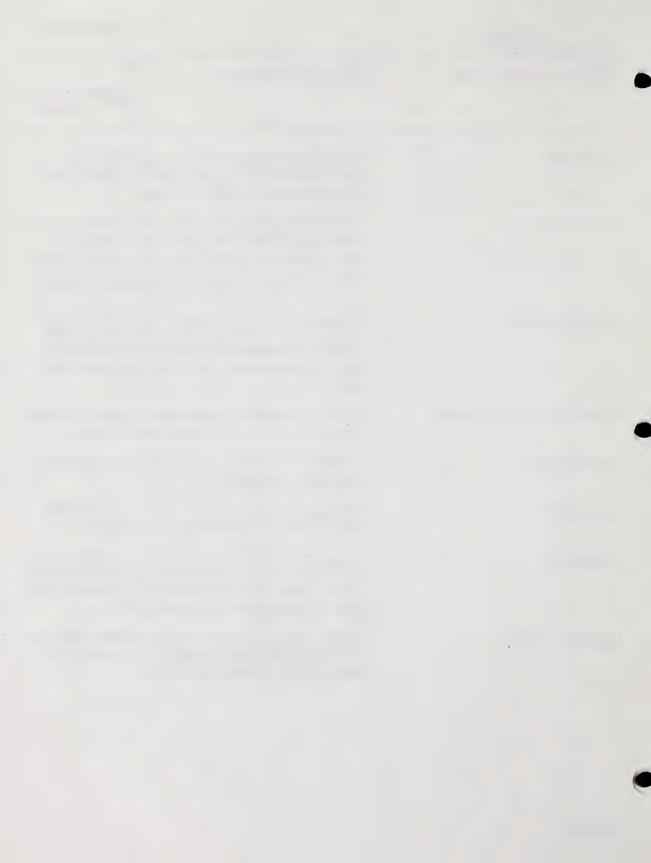
funds

Sensitivity to changing trends and needs





SECTION GENERAL INFORMATION	GENERAL PROVISIONS	PAGE 1	
		DATE 15/05/93	
AUTHORITY	The Child Care Subsidy Program general authority of the Departs Social Services Act, Section 9(	ment of Family and	
CONFIDENTIALITY	All information obtained in the care subsidies (including all file papers related to cases) is restrunless there is specific authorizinformation from a designated of	s, documents, or ricted and confidential ration to disclose the	
CHILD SPECIFIC	The subsidy provided through teligible family is child specific. amount is established for each facility or an approved family dalberta.	A monthly subsidy child in a licensed	
PARENTAL RESPONSIBILITY	Each eligible family is responsible cost of care required less the s		
APPLICATION	The parent or guardian is respo	nsible for initiating	
PAYMENT	Payment of subsidy is made dir child care facility or family day		
CHANGES	The applicant(s) is required to r the Regional Subsidy Office all income, child care arrangement care and the number of depend	changes in family net s, the reason for child	
SUBSIDY PERIOD	Subsidy may be provided for no for families who remain eligible must be made at least once a y	. A re-application	





SECTION GENERAL INFORMATION	PROGRAMS COVERED	PAGE 1
		DATE 15/05/93

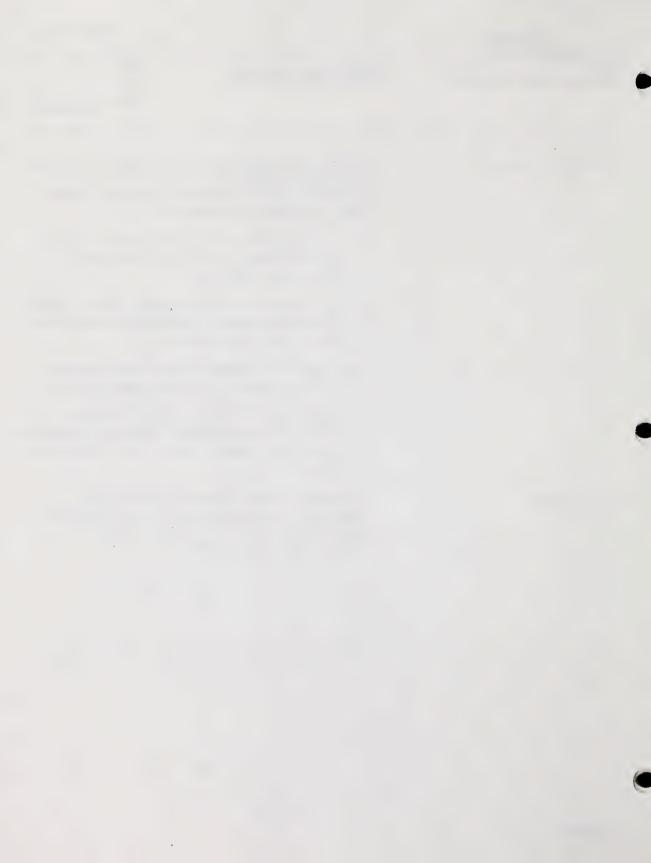
### **ELIGIBLE PROGRAMS**

Subsidy is available for preschool aged children of an eligible family placed in any of the following child care facilities that will care for subsidized children under the terms of the program:

- a Day Care Centre licensed under the Social Care Facilities Licensing Act, Day Care Regulation, 1990; or
- an Approved Family Day Home within a Family Day Home Agency under contract with Alberta Family and Social Services
- N.B. Licensed Family Day Homes unable to align with an Agency may at the discretion of the Director of Day Care Programs, or his designate, care for and receive subsidy on behalf of eligible children when other subsidized care is not available, (e.g., in rural and remote areas).

### **EXCLUSIONS**

Child Care Subsidy Program benefits are not available for parents who use licensed facilities for drop-in care, nursery schools, play schools or parent's day-out programs.





SECTION
GENERAL INFORMATION
SUBJECT
ELIGIBILITY

DATE
15/05/93

### CRITERIA

Eligibility for participation in the subsidy program is based on:

- reason for requiring child care; (in a two-parent family, both parents must have a valid reason).
- anticipated attendance of 50 hours or more per month at an eligible facility (except for special needs); and
- net family income.

The amount of subsidy for which a family may qualify is calculated on the basis of:

- net family income; and
- family size, that is, the number of parents and the number of unmarried dependents under the age of 18 years living in the home.

(Exceptions for dependent status may be considered for high school or special needs children 18 years of age or older, living at home and financially dependent on a parent. Documentation must be provided.)

N.B. More details about these criteria are provided in the remainder of this manual.

SFI recipients who apply for child care subsidy benefits shall not be income tested to determine eligibility. Need for child care and anticipated attendance of 50 hours or more per month must be established.

When SFI benefits terminate, the client's eligibility for subsidy benefits must be reviewed.

SUPPORTS FOR INDEPENDENCE (SFI) RECIPIENTS



GENERAL INFORMATION	SUBJECT ELIGIBILITY	PAGE 2
		DATE 15/05/93
JOINT CUSTODY	Where two parents live	apart and share custody of a

child(ren), generally the parent with the lower income would apply for subsidy. One eligibility status would be established for the child and one subsidy rate assessed. Both parents would then be responsible for the parent portion of the fee.

## SERVICE ON INDIAN **RESERVES**

### Treaty Indians

Treaty Indians living on a reserve qualify for provincial child care subsidy benefits if their Band Council requests participation in the Subsidy Program and the request is approved by Indian and Northern Affairs Canada (INAC). Their children must attend approved/licensed day care centres or family day homes on or off the reserve.

Treaty Indians living off the reserve may qualify for the subsidy program in child care facilities also located off the reserve or on the reserve if the centre or family day home is approved to participate in the Subsidy Program.

Treaty Indians living off the reserve and in receipt of welfare benefits from Indian Affairs may qualify for the subsidy program.

### **EXCLUSIONS**

### Foster Parents

Foster parents caring for children who are in the care and custody of Alberta Family and Social Services (permanent/temporary guardianship orders or agreements under the Child Welfare Act), are not eligible for this subsidy program for the foster children.

Regional Child Welfare is responsible for the financial support of foster children in care.



SECTION	
GENERAL	INFORMATION

SUBJECT
FRAUD/CANCELLATION
OF BENEFITS

PAGE 1 1 DATE 15/05/93

#### SUSPECTED FRAUD

#### Client

Everyone, who by deceit, falsehood or other fraudulent means, defrauds the public of any property, money or other valuable security, is guilty of an offence under the Criminal Code of Canada.

A failure to report changes in family composition, income and/or needs may not in itself constitute fraud.

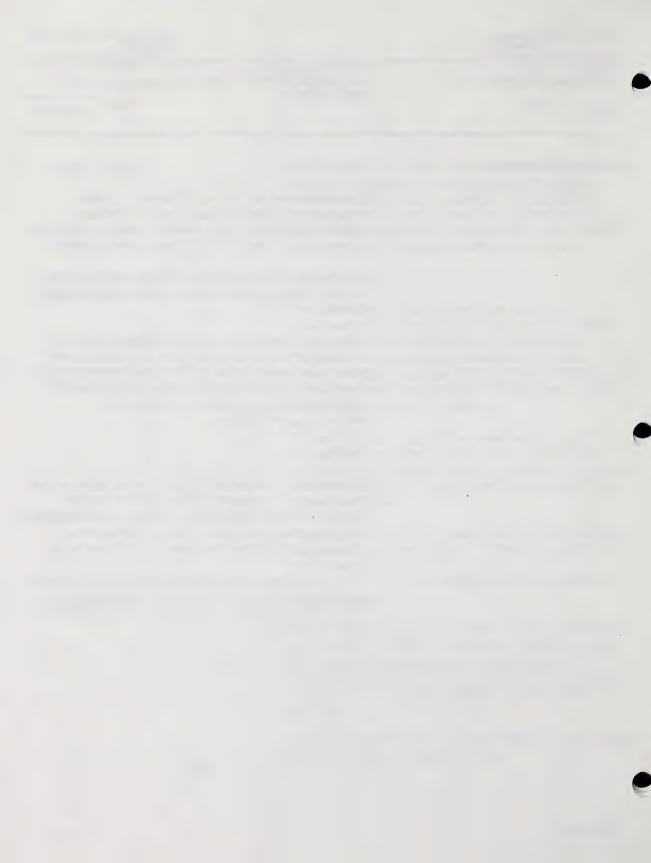
However, if this omission is a deliberate act to qualify for a benefit not otherwise available, then fraud may occur. A person may be found guilty of fraud, in Criminal Court, as a result of deliberately providing false information or deliberately withholding information.

# **Facility**

If a facility is suspected of obtaining subsidy monies fraudulently, the matter will be referred to the Regional Claims Verification Officer for investigation and may also be referred to the police by the Director of Day Care Programs, or his designate.

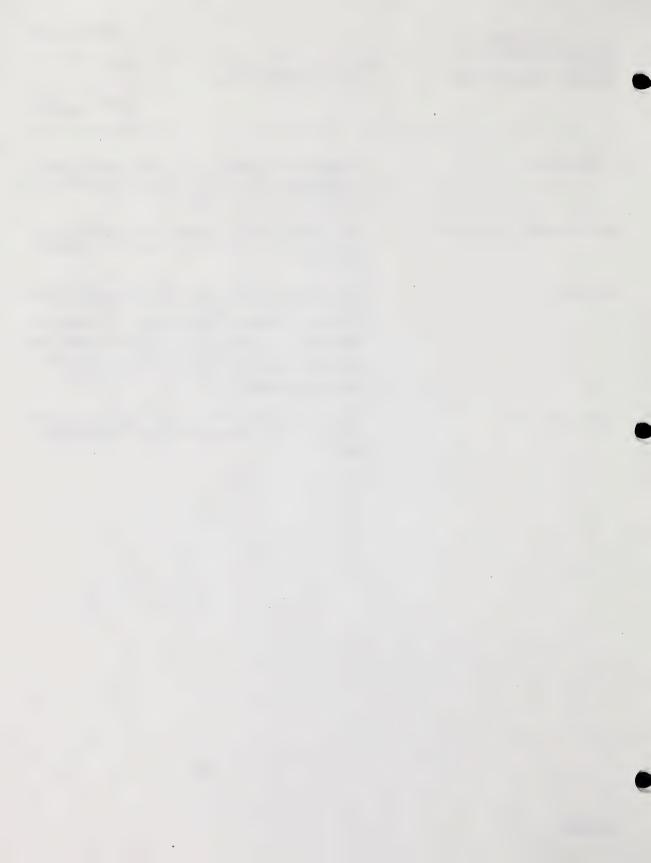
#### **CANCELLATION OF BENEFITS**

If an application cannot be properly verified, subsidy benefits shall be terminated. The applicant is responsible to provide appropriate verification of circumstances.





FAMILY AND SOCIAL SERVICES		
SECTION GENERAL INFORMATION	COMPLAINTS/APPEALS	PAGE 1
		DATE 15/05/93
COMPLAINTS	Complaints from parents or ope subsidy program or benefits sho appropriate Regional subsidy off	ould be referred to the
NON-SUBSIDY COMPLAINTS	Any concerns about a licensed of family day home should be refer licensing unit.	
APPEALS	The subsidy assessor may receive an appeal from an applicant regarding circumstances related to their application, eligibility or subsidy rate. The appeal is reviewed by the regional day care subsidy supervisor and/or Regional Day Care Coordinator. It may also be heard by the Regional Manager of Day Care Services North/South.	
CHILD WELFARE	Concerns regarding child abuse referred to the appropriate Region Unit.	_





SECTION	
ELIGIBILITY	- REASON FOR
REQUIRING	CHILD CARE

SUBJECT
FMPLOYED/SFLF-EMPLOYED

PAGE 1

DATE

15/05/93

# SUMMARY

Eligibility for participation in the subsidy program is based on:

- reason for requiring care;
  - employment/self-employed
  - job seeking
  - student
  - special needs
- anticipated attendance of 50 hours or more per month at an eligible facility; and
- net family income.

## EMPLOYED/SELF-EMPLOYED

An applicant may be eligible for child care subsidy if he/she is employed/self-employed and unable to care for his/her child during work hours.

CATEGORIES OF SELF-EMPLOYED Self-employed individuals may be one of the following three types:

- First Party Self-Employed: direct selfemployment, operators of businesses
   e.g., restaurant or shop owners, musicians, farmers who own their land, etc.
- Second Party Self-Employed: contracted work to a larger organization e.g., hairdressers, subcontractors (trades), realtors, taxi drivers, farmers who rent land, etc.
- Transient Employment: casual or seasonal work, odd jobs, e.g., washing cars, delivering flyers, landscaping, etc.

MINIMUM WAGE REQUIREMENT An applicant will be considered gainfully employed, full- or part-time, when the applicant receives an income not less than the Alberta minimum wage for the hours worked.



ELIGIBILITY - REASON FOR	SUBJECT EMPLOYED/SELF-EMPLOYED	PAGE	2
REQUIRING CHILD CARE		DATE	15/05/93

VERIFICATION OF EMPLOYMENT

## Salaried Employment

Pay slips or cheque stubs, or other suitable documentation must be provided to verify one month's gross employment earnings and deductions.

# Self-Employment

Refer to DS-03-02-06.

**AWAITING PAY** 

If there is a delay in pay upon commencement of new employment, subsidy applicants may be given subsidy for a maximum of two months, based on current known income.

1



SECTION
<b>ELIGIBILITY - REASON FOR</b>
REQUIRING CHILD CARE

SUBJECT JOB SEEKING PAGE

DATE

15/05/93

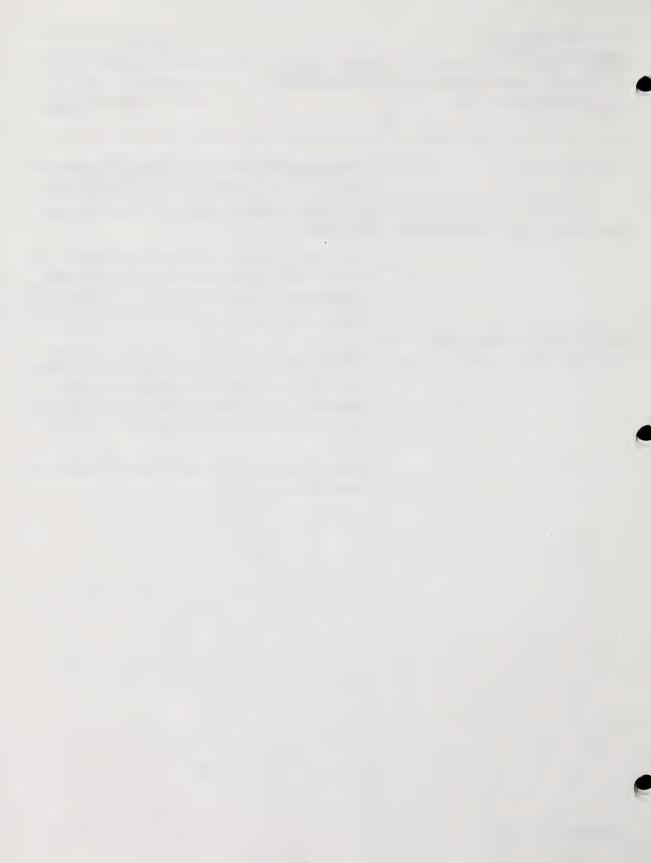
# JOB SEEKING

A parent may be actively seeking employment which requires him/her to be absent from the home. In such a case a subsidy payment may be allowed for one month, with the possibility of a second month, if requested.

Authorization beyond two consecutive months will be determined by the Regional subsidy supervisor with job search documentation to be provided by the applicant. Subsidy will be paid on the basis of actual usage of child care services.

Regional guidelines may be developed to establish the number of times per year an applicant may have job seeking as a reason for requiring child care. Availability of employment would be a consideration, as well as economic conditions and unemployment rates.

Refer to DS-02-02-01 for clarification of attendance requirements.





ELIGIBILITY - REASON FOR REQUIRING CHILD CARE	STUDENT	PAGE 1
		DATE 15/05/93

STUDENT STATUS

An applicant may be eligible for Child Care Subsidy Program benefits if he/she is attending an educational or training program.

FULL-TIME/PART-TIME STUDENT STATUS For purposes of the Child Care Subsidy Program, the classification of an applicant is dependent upon how the school, college, university or training centre which he/she is attending defines full-time/part-time enrollment.

ELIGIBLE EDUCATION/ TRAINING PROGRAMS All types of public and private educational establishments such as high schools, colleges, universities, secretarial schools, vocational and technical schools are eligible.

**ATTENDANCE** 

Attendance includes taking correspondence courses that are affiliated with a school and that can be counted as credit courses towards a degree, diploma or certificate. Full-time/part-time equivalent status would need to be established.

Persons are counted as "attending" an eligible program only if they are taking a course or program of instruction that could be counted towards a degree, certificate or diploma. Personal interest courses, such as night courses in pottery or woodworking at a local high school, are not credit courses.

VERIFICATION OF STUDENT STATUS

Written confirmation, of full- or part-time enrollment in the educational institution, indicating the duration of the current registration and the type of course, must be provided by the applicant.

NON-CLASS HOURS

Regional discretion may be used to determine travel time and study time when calculating authorized hours for subsidy.

SPRING/SUMMER SESSIONS

During spring and summer sessions, one course may be considered full-time enrollment based on



SECTION ELIGIBILITY - REASON FOR REQUIRING CHILD CARE	STUDENT	PAGE	2	
RECOINING CHIED CARE		DATE	15/05/93	

documentation submitted. Students enrolled in ongoing semester programs will be expected to meet regular criteria.



SECTION ELIGIBILITY - REASON FOR	SPECIAL NEEDS	PAGE	1
REQUIRING CHILD CARE		DATE	15/05/93

## SPECIAL NEED STATUS

An applicant may be eligible for child care subsidy if he/she or their child has special needs.

#### PARENT/GUARDIAN

A parent may have a disabling condition which prevents him/her from providing child care by himself/herself. Written documentation from a medical doctor, psychologist, psychiatrist, social worker or other qualified professional, establishing the reason for child care, is required. In addition, the number of days per week, hours per day and length of time for which child care is required must be specified.

#### CHILD

A child may benefit from child care for developmental or therapeutic reasons as recommended in writing by a psychologist, psychiatrist, medical doctor or other qualified professional. In addition, the number of days per week, hours per day and length of time for which child care is required must be specified.

#### TRAINING

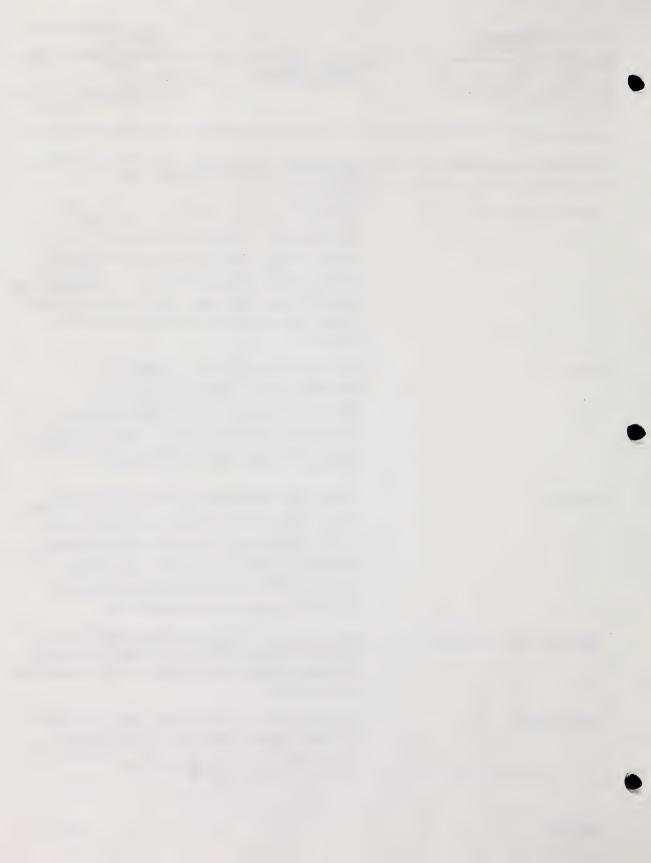
Some clients may need to receive training in life skills, literacy, job preparation or may need to attend a job finding club before they are ready to obtain gainful employment or enter an academic program. Eligibility for subsidy while attending these programs will be assessed by examination of supporting documentation. This examination is to include duration of course, hours required, etc.

#### HIGH RISK TEEN MOTHERS

To provide extra support and assistance to young teen mothers, less than 50 hours attendance and maximum subsidy may be approved with appropriate documentation.

#### LIMITATIONS

Subsidy to meet special needs must not exceed a 12 month period, based on the documentation supporting the need for child care. Reapplication is required for subsidy beyond one year.





SECTION	
ELIGIBILITY -	
ATTENDANCE	<b>REQUIREMENTS</b>

SUBJECT
ENROLLMENT COMMITMENT

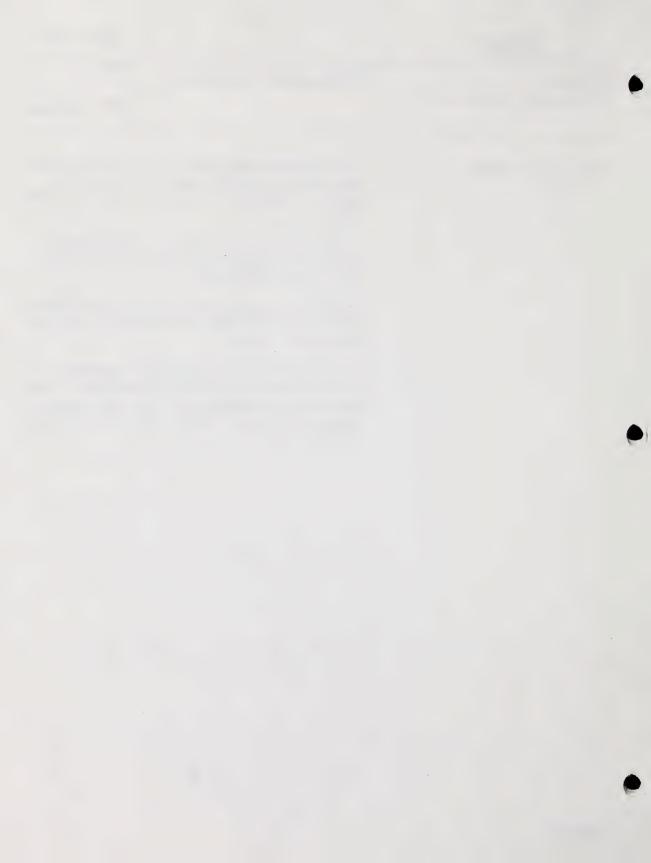
#### **AUTHORIZED HOURS**

Authorized hours are defined as the number of child care hours for which the applicant is eligible for subsidy. These hours are based on reasons for child care.

A child may be approved for full eligible subsidy benefits if anticipated attendance will be for 100 hours or more per month.

A child may be approved for partial eligible subsidy benefits if anticipated attendance will be from 50 to 99 hours per month.

A child will be refused subsidy upon application if authorized hours of usage will be less than 50 hours per month. Exceptions may be granted to special needs children only. These will be reviewed on an individual basis.





SECTION	
ELIGIBILITY -	
ATTENDANCE	<b>REQUIREMENTS</b>

SUBJECT
FULL ELIGIBLE SUBSIDY
BENEFITS

PAGE

DATE 15/05/93

1

# ATTENDANCE REQUIREMENT

If reasons for care indicate that 100 hours or more of care per month are required, the child may be eligible for full eligible subsidy benefits. This attendance requirement does not represent full-time care, but is the minimum attendance required to receive maximum eligible subsidy benefits.

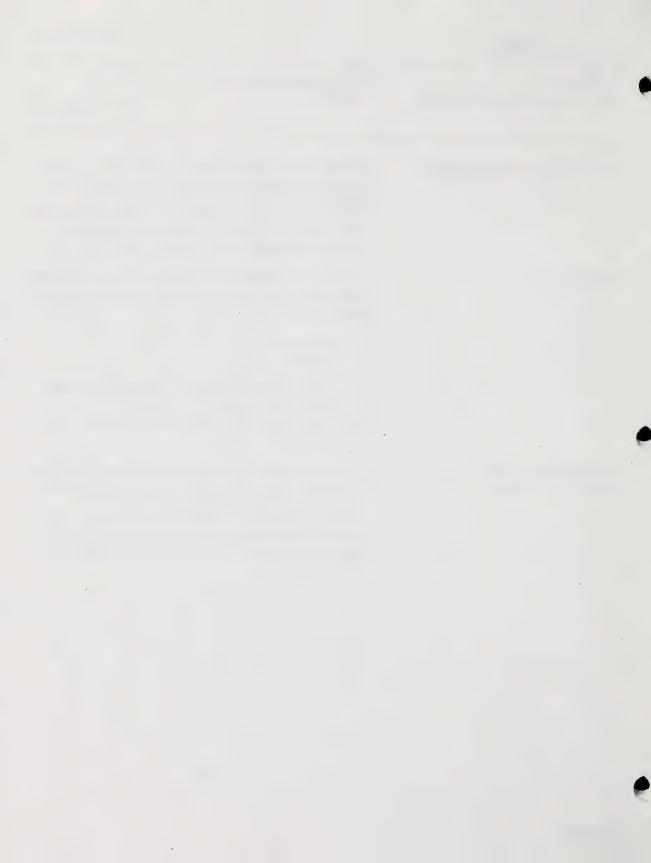
#### **RATIONALE**

The 100 hour minimum is expected to accommodate the varying absences of children from the child care facility such as:

- sick days
- vacation
- statutory holidays
- semester breaks, reading weeks, days when classes are not held
- child visits with a non-resident parent
- shift work

# ATTENDANCE LESS THAN 100 HOURS

If a parent qualifies for full eligible subsidy benefits but usage is less than 100 hours (including usage less than 50 hours) subsidy will be paid to authorized hours for 3 consecutive months. A review of circumstances will be required after 2 consecutive months to ascertain appropriate hours of attendance.





ELIGIBILITY ATTENDANCE REQUIREMENTS

SUBJECT
PARTIAL ELIGIBLE SUBSIDY
BENEFITS

PAGE

DATE 15/05/93

1

ATTENDANCE REQUIREMENT

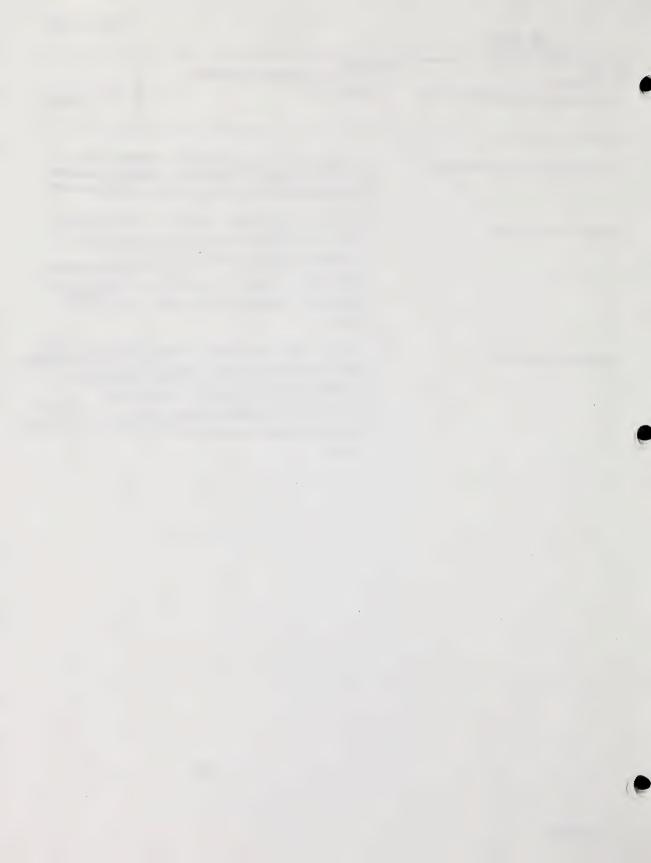
If reasons for care indicate that between 50 to 99 hours of care per month are required, the child may be eligible for partial eligible subsidy benefits.

**OVER-UTILIZATION** 

If usage is greater than authorized hours, payment will be paid on the basis of actual usage up to the full eligible subsidy benefits amount for 3 consecutive months. A review of circumstances will be required after 2 consecutive months of over usage and changes may be made to authorized hours.

UNDER-UTILIZATION

If usage is less than the authorized hours (including usage less than 50 hours) payment will automatically be made to authorized hours for a maximum of three consecutive months. A review of circumstances will be required after two months of under usage and changes may be made to authorized hours.





SECTION	
ELIGIBILITY -	
ATTENDANCE	<b>REQUIREMENTS</b>

# SUBJECT MID-MONTH START/TRANSFERS AND TERMINATIONS

PAGE

\_\_\_\_

15/05/93

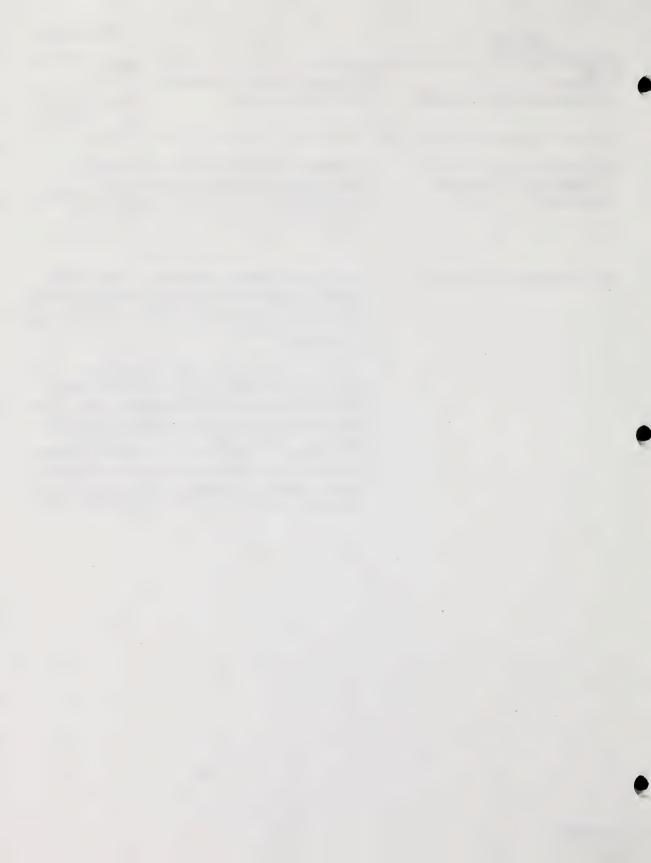
1

BEGINNING/ENDING ATTENDANCE IN A SINGLE PLACEMENT If a child is in child care for part of a calendar month because he/she commenced late or terminated before month end, the subsidy payment shall be based on actual hours of attendance.

#### TWO OR MORE PLACEMENTS

If subsidy for a child is authorized in two or more facilities in one month, hours will be prorated based on actual attendance at each facility. At no time will the maximum monthly subsidy for a particular family be exceeded.

In order for hours at second or subsequent placements to be considered, a child placement form must be submitted to the subsidy office. The child placement form must be signed by both the parent and the day care operator or Family Day Home agency representative. If a child placement form is not received for the new day care centre/ agency, subsidy will be paid to the centre where a placement form is current for that particular month.



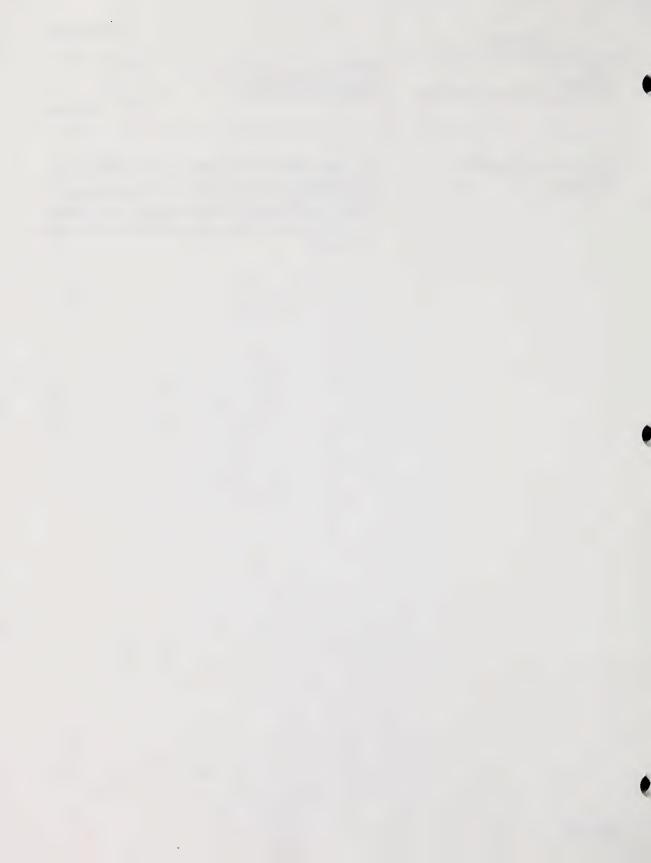


SECTION
ELIGIBILITY ATTENDANCE REQUIREMENTS

SUBJECT
ONGOING PLACEMENT
IN TWO FACILITIES

ONGOING PLACEMENT IN TWO FACILITIES

If a child needs to be placed in two facilities on an ongoing basis to accommodate parent's shift work or joint custody, payment will be made to each facility on the basis of actual usage in each facility. At no time will the maximum subsidy for the child be exceeded.



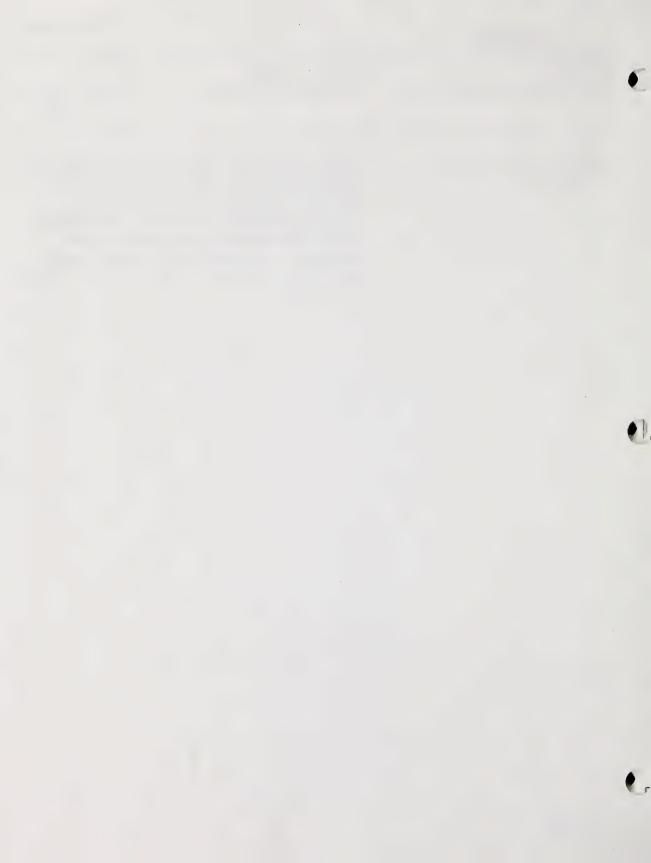


ELIGIBILITY ATTENDANCE REQUIREMENTS

SUBJECT
SPECIAL NEEDS
CHILDREN AND PARENTS

SPECIAL NEEDS CHILDREN AND PARENTS

A child qualifying for subsidy under the special needs categories (child and parent) will normally be paid on the basis of actual usage of authorized hours. However, if supporting documentation from a qualified professional is forwarded to the Regional subsidy office describing reasons for reduced attendance, full eligible subsidy amount may be granted in order to have a space available for the use of the child.





ELIGIBILITY ATTENDANCE REQUIREMENTS

SUBJECT
EXTENUATING
CIRCUMSTANCES

PAGE

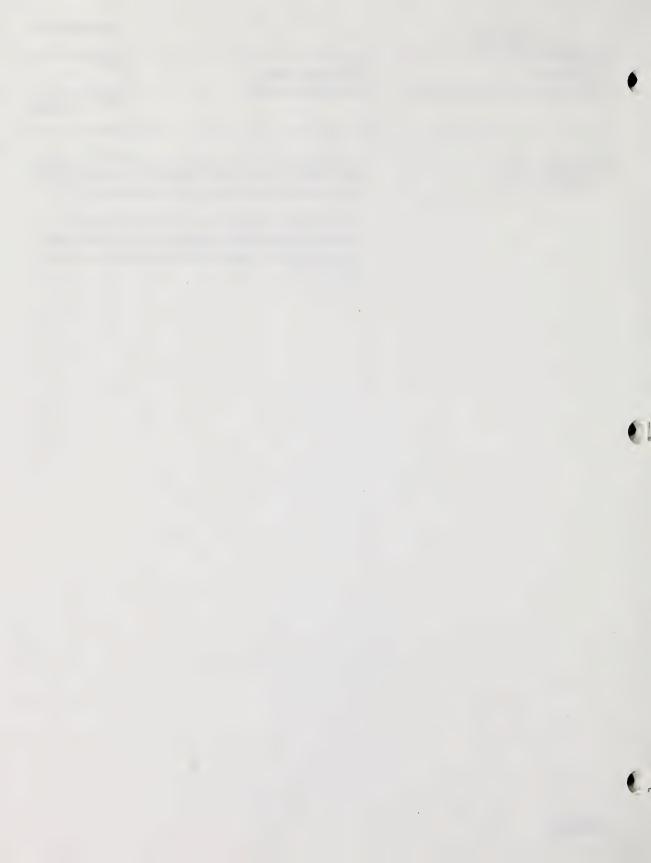
15/05/93

1

EXTENUATING CIRCUMSTANCES

Extenuating family circumstances such as a death in the family or a long term illness may require a child to be absent from their child care placement.

The subsidy assessment worker may approve subsidy payments be made on behalf of the child upon receipt of supporting documentation for one month only.





SECTION	
ELIGIBILITY -	
ATTENDANCE	REQUIREMENTS

SUBJECT
CHILD CARE FACILITY
CLOSURES

PAGE 1
DATE 15/05/93

#### **DESIGNATED HOLIDAYS**

Each year, the Regional Day Care Services Office will provide written notice of designated holidays. Day care centres may close on these designated holidays with no effect on government funding. If a child care facility closes for any reason other than designated holidays, 30 days notice should be given in writing to the Subsidy and Licensing Offices.

**HOLIDAYS** 

A child care facility may close for reason of holidays. The child care operator shall be paid the full subsidy portion of the fee providing the child received services for the minimum 100 hours for that calendar month. If fewer than 100 hours of care were provided, then payment shall be prorated.

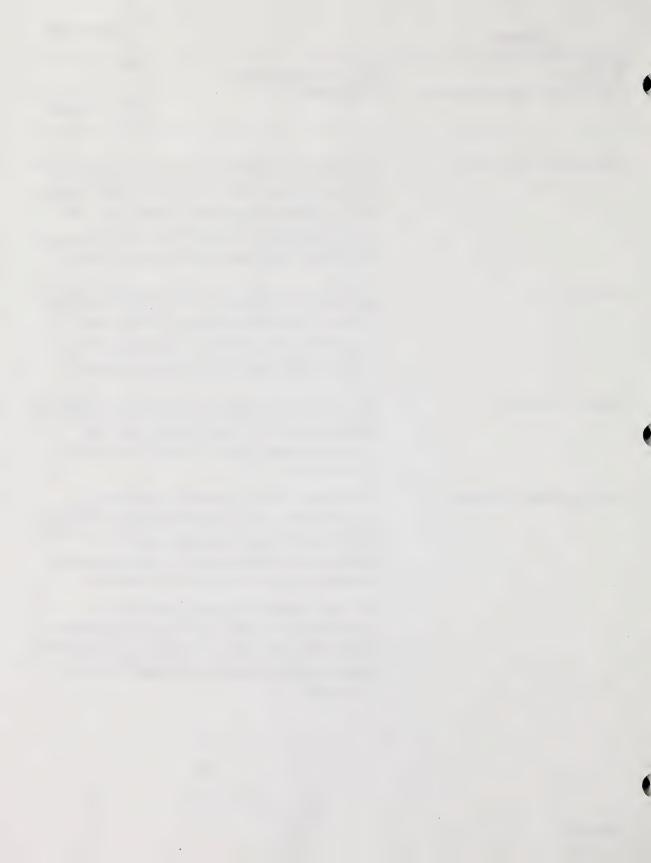
SEMESTER BREAKS

A child care facility may close for reason of semester breaks. The child care operator shall be paid the full subsidy portion of the fee providing the child received services for the minimum 100 hours for that calendar month.

INVOLUNTARY CLOSURES

A child care facility may temporarily close or withdraw services for reasons other than holidays or semester breaks, e.g., blizzard, flooding of premises. If the operator makes alternate child care arrangements for the parents, the normal monthly subsidy will be paid on behalf of the children.

If a facility closes temporarily, causing the registration of the child in another facility, parents must notify the subsidy office with a child placement form. Subsidy will be prorated between the two facilities based on the hours attended in each for that month.





SECTION

ELIGIBILITY 
ATTENDANCE REQUIREMENTS

SUBJECT
CHRONIC ILLNESS

PAGE 1

DATE

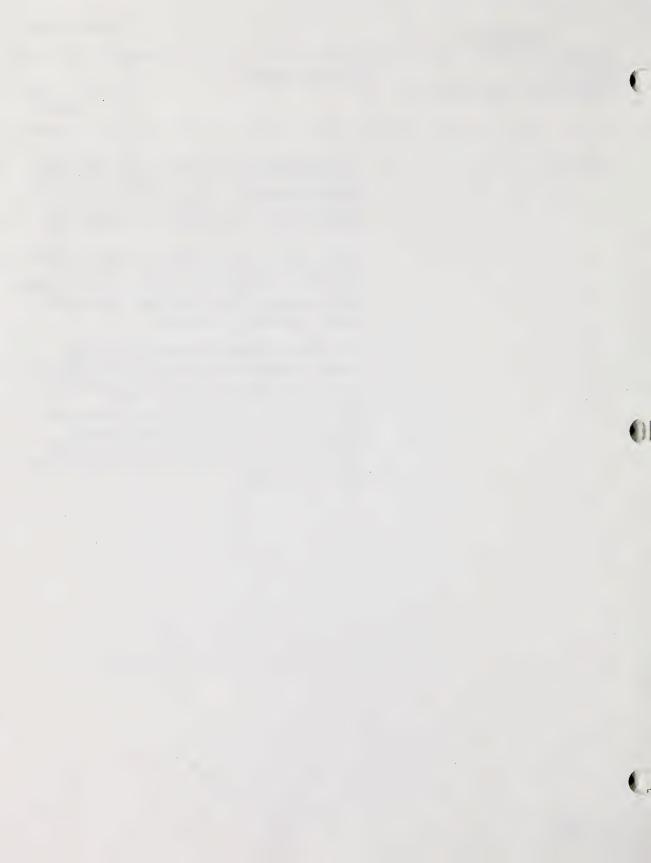
15/05/93

#### CHRONIC ILLNESS

Chronic illness is a serious long-term or recurring illness which results in a child attending a child care facility for less than 100 hours per month on a frequent basis. Recurring common flu, colds and earaches do not usually constitute chronic illness.

Chronic recurring illness affects child attendance at child care facilities. It may require a child to be absent from their child care placement on an ongoing intermittent basis. This could affect authorized hours of attendance for subsidy.

The subsidy assessment worker may approve subsidy payments to be made on behalf of the child, to authorized hours, upon receipt of supporting documentation from a physician. This documentation could cover a varying number of months, but must be reviewed by the subsidy assessment worker every six months. Approval after six months must be authorized by the Regional subsidy supervisor.





SECTION		
CALCULATION	OF	SUBSIDY
- GENERAL CRI	TER	ΙΔ

SUBJECT
GENERAL CRITERIA

PAGE 1

DATE

15/05/93

### **SUMMARY**

The calculation of subsidy is based on an income test. This Division will explain all the sources of income and deductions/expenses considered in the determination of net family income.

### SUBSIDY AMOUNT

The subsidy amount for which a family may qualify is calculated on the basis of:

- family composition (1 or 2 parent family);
- family size, that is, the number of unmarried dependent children living in the home under the age of 18 years;
- net family income; and
- number of preschool children using child care.

Monthly net income of the family unit is the combined gross income of the parent(s) or guardian(s) less allowable deductions and special expenses.

#### **FAMILY UNIT**

For subsidy purposes, the applicant's family unit shall include:

# Adults

The applicant and spouse of marriage or commonlaw union.

#### Dependent Children

Unmarried children under 18 years of age, living in the home and financially dependent on the applicant. (Exceptions for dependent status may be considered for high school or special needs children 18 years of age or older living at home and financially dependent on the applicant(s). Documentation must be provided.)



CALCULATION OF SUBSIDY	GENERAL CRITERIA	PAGE	2
- GENERAL CRITERIA		DATE	15/05/93

# UNMARRIED PARENTS (under 18 years of age)

Unmarried parents who are 16 or 17 years of age may apply for subsidy in their own name, even when they reside with their family of origin.

The subsidy assessment worker must notify Child Welfare if an unmarried parent, 15 years of age or under, is living away from her family of origin and applies for subsidy.

# CHILDREN IN NEED (Guardian Social Allowance)

The guardian of a child participating in the Guardian Social Allowance Program may apply for a child care subsidy for the child. The income of the guardian will be used to assess eligibility. The Guardian Social Allowance payment will not be used in income calculation. Guardian Social Allowance policy may cover the extra day care costs. The individual guardian can apply for this additional benefit through Guardian Social Allowance.

# TEMPORARY CAREGIVER

If a child is living with a temporary caregiver who is not the parent (for a period of less than 6 consecutive months) eligibility for subsidy will generally be based on the income of the parent.

In exceptional circumstances, temporary caregivers may apply for subsidy, e.g., when the parent cannot be located.

If a child is living with a temporary caregiver who is not the parent for a period of 6 consecutive months or longer, eligibility for subsidy will be based on the income and circumstance of the temporary caregiver.



SECTION				
CALC	ULATION	OF	SUBSI	DY
- NET	FAMILY	NIC	OME	

SUBJECT
INCOME FROM EMPLOYMENT

PAGE 1

DATE

15/05/93

# INCOME FROM SALARIED FMPLOYMENT

Income from salaried employment includes:

- all wages and salaries from full-time or parttime employment;
- rent deducted by the employer or free room and board paid by the employer;
- free room and board received by the applicant, set at the average rate in the community;
- tips, gratuities and commissions;
- garnisheed wages (wages or salaries that are garnisheed for any purposes other than child maintenance payments and Alberta Health Care arrears will be counted as income).

VERIFICATION OF INCOME FROM SALARIED EMPLOYMENT Most recent pay slips, cheque stubs, or other suitable documentation must be provided to verify one month's gross employment earnings and deductions.

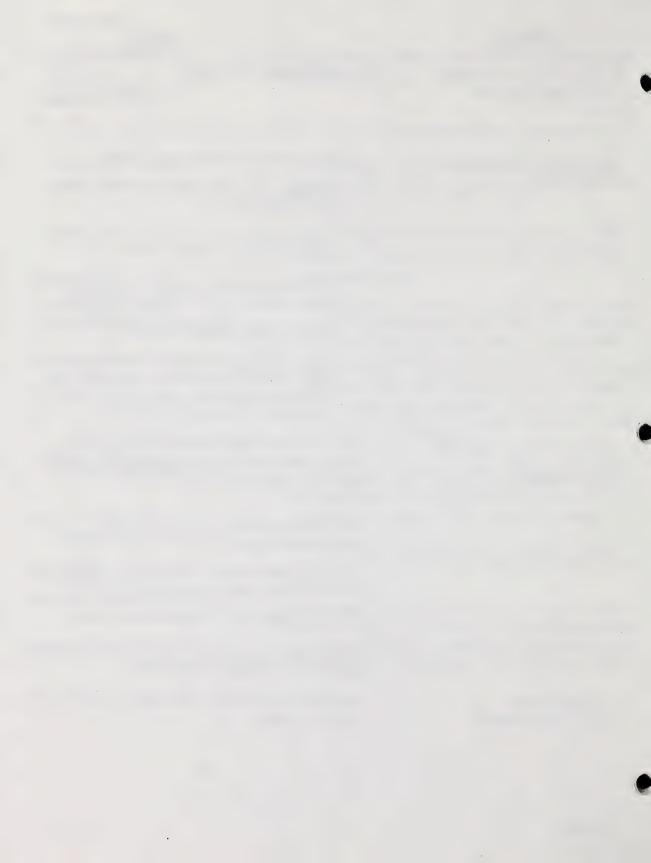
Documentation should indicate pay period as well as identify the employer and the subsidy applicant.

If pay has been irregular, three months' employment earnings can be used for purposes of averaging. However, if it is to the client's advantage, earnings will be considered on a month-to-month basis.

The applicant for subsidy is responsible for providing verification of employment income.

INCOME FROM SELF-EMPLOYMENT

Refer to DS-03-02-06 for discussion of income from self-employment.





SECTION			
CALCULATION	OF	SUBSI	DΥ
- NET FAMILY	NC	OME	

SUBJECT
OTHER DECLARABLE INCOME

PAGE 1

DATE 15/05/93

# OTHER DECLARABLE INCOME

All income in addition to employment/ selfemployment income must also be declared. Other declarable income includes:

- Government transfer payments such as:
  - Workers' Compensation/Other Disability
     Payments
  - Old Age Security, Guaranteed Income Supplement and Alberta Assured Income Plan
  - Widows' Pension
  - Survivor's Benefits
  - Adult Training Allowance
  - Canada Pension Plan
  - Unemployment Insurance
  - Special Rates for Foster Parents of special needs children (when placing their own child in day care)
- Maintenance and child support income received on a regular basis, including payments for such items as mortgage, rent or loan payments made on behalf of the applicant by the non-custodial parent.
- <u>Bursaries and scholarships</u>, based on the average monthly benefit over the academic session.
- Maintenance grants from Student Finance
   Board based on the average monthly benefit over the academic session.
- <u>Pension incomes</u>, both private and government, including those from other countries.
- Income from investments, such as interest and dividends.



SECTION
CALCULATION OF SUBSIDY
- NET FAMILY INCOME

SUBJECT OTHER DECLARABLE INCOME PAGE

2

DATE 15/05/93

- 100% of rent received for any dwelling other than the applicant's primary residence. Expenses associated with maintaining such a dwelling are deductible.
- 50% of rent received for applicant's primary residence where the residence is partially rented, e.g., basement suite. Where there is a shared arrangement e.g., two or more adults jointly renting a residence, this will not apply.
- 25% of room and board received in applicant's residence.
- Royalty payments from Indian Bands.

VERIFICATION OF OTHER DECLARABLE INCOME

All sources of income must be verified.



# SECTION CALCULATION OF SUBSIDY - NET FAMILY INCOME

SUBJECT
EXCLUDED INCOME

PAGE 1

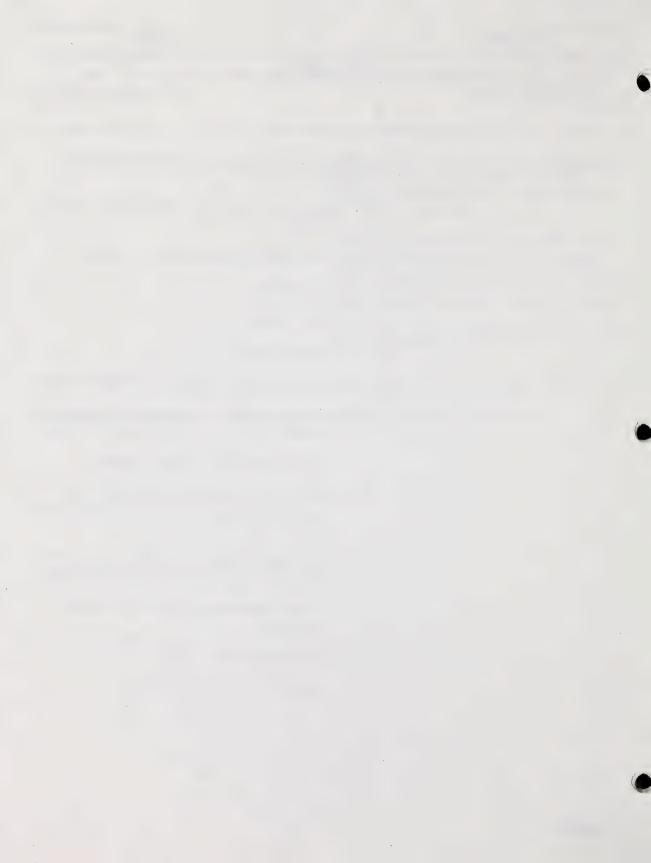
DATE

15/05/93

#### **EXCLUSIONS**

The following shall <u>not</u> be included in net family income:

- earnings of dependent children under 18 years of age;
- Child Benefit (effective July 1, 1993);
- tax rebates;
- GST credits
- student loans:
- Guardian Social Allowance (Children in Need);
- Assured Income for the Severely Handicapped (AISH);
- Supports for Independence benefits;
- Child Welfare maintenance payments to approved foster parents with the exception of special rates;
- garnisheed wages for maintenance payments, child support or Alberta Health Care arrears;
- Northern Allowance (Isolated Community Allowance);
- Car allowance; or
- Indian Affairs Welfare Benefits.





SECTION		
CALCULATION	OF	SUBSIDY
- NFT FAMILY I	NC	OME

SUBJECT
ALLOWABLE DEDUCTIONS
AND SPECIAL EXPENSES

PAGE 1

DATE 15/05/93

#### ALLOWABLE DEDUCTIONS

The following are allowable deductions in determining net family income:

- Unemployment Insurance contributions.
- Canada Pension Plan contributions.
- <u>Dues</u>. Union dues, professional fees.
- <u>Pension Deductions</u>. Deductions for company pension or compulsory registered retirement savings plans.
- Health Care and Dental Plan Premiums.
   Employee's share of premiums.
- Income Tax
  - Payroll Income Tax. This must be verified and, where necessary, adjusted in accordance with marital status and family size.
  - Income Tax on Support Payments.
     Income tax on maintenance and child support income shall be calculated by the subsidy assessment worker and deducted from taxable income.
  - 3) Income Tax on Other Income. Income tax shall be calculated and deducted from other taxable income. Workers' Compensation, provincial Widows' Pension, Alberta Assured Income for the Severely Handicapped and Indian Affairs benefits are income tax exempt.
- Maintenance and Child Support Payments.
   Where a member of the family unit pays maintenance or support for a previous spouse

2



SECTION
CALCULATION OF SUBSIDY
- NET FAMILY INCOME

SUBJECT
ALLOWABLE DEDUCTIONS
AND SPECIAL EXPENSES

PAGE

\_\_\_\_

15/05/93

or a child of a previous union, those payments may be deducted. The <u>actual</u> amount paid out should be claimed. The amount stipulated by a court order may differ from the actual amount paid. Cancelled cheques or receipts must be provided.

- Rental Property Expenses. Expenses
  associated with rental income from any
  dwelling other than the applicant's primary
  residence may be deducted. These may
  include maintenance and repair costs, property
  taxes, fire insurance and interest on mortgage.
  They do not include depreciation. Expenses
  cannot exceed rental income.
- Child Care Expenses. Additional child care expenses incurred for children 12 years of age and under where employment requires evening or weekend work, for example, hairdresser, cab driver, nurse. For overnight care, costs incurred for children up to age 16 may be included. Receipts must be provided.
- Extended Hours of Care. Charges for extended hours of care where care is directly related to subsidy eligibility may be used as a deduction.
- Out-of-School Care. Receipted costs for school age children, 12 years of age and under, are an allowable deduction.
  - Regional guidelines may be established to set monthly maximum rates allowable for after school costs.
- Summer Camps. Cost of summer camps or programs used for child care purposes (6-12 years). Not to exceed regional Out-of-School Care costs.



SECTION		
CALCULAT	ION OF	SUBSIDY
- NET FAM	ILY INC	OME

ALLOWABLE DEDUCTIONS
AND SPECIAL EXPENSES

PAGE 3

DATE 15/05/93

- Mandatory parking fees.
- Mandatory clothing, tools, uniforms, and equipment which an individual needs to do the job (Includes purchase and/or dry cleaning and maintenance of uniforms). Proper documentation is required e.g., letter from employer.
- <u>Involuntary Deductions</u>. Other involuntary deductions such as group plan insurance are allowable.
- <u>Tuition and Books</u>. If tuition and books are paid by applicant or spouse it is an allowable deduction. If someone is working their way through school, tuition is an allowable deduction. Documentation is required. If a student loan is received, tuition and books are not an allowable deduction. It the student loan amount is less than the cost of tuition and books, then the difference may be deducted.
- <u>Dual Living Expenses</u>. When one parent may have to leave the family residence to go to school, work or look for work, duplicate living allowance equivalent to a single rate for Supports for Independence for this time may be considered as a deduction if the individual is responsible for paying their own living expenses.
- Receipted books and supplies for applicants without student loans, enrolled in approved programs.



SECTION
CALCULATION OF SUBSIDY
- NET FAMILY INCOME

SUBJECT
ALLOWABLE DEDUCTIONS
AND SPECIAL EXPENSES

PAGE 4

DATE

15/05/93

#### SPECIAL EXPENSES

#### Health Costs

Non-recoverable expenditures on behalf of a dependent who has long-term mental or physical health problems may be deducted.

Other ongoing medical/dental expenditures, usually paid monthly, which are not recoverable from health plans, may be deducted.

#### **Professional Services**

Expenses such as that portion of psychiatrist, physiotherapist, psychologist, social worker or drug or alcohol addiction counsellor's fees not covered by a health plan or recoverable from other sources may be deducted. Also in this category are expenses involved in correcting developmental problems in children, such as reading disabilities and costs of orthodontics not covered by a health plan. Dental work and orthodontics for adults may also be included.

### Irregular Expenses

Where special expenses are irregular, these must be averaged to a monthly amount.

VERIFICATION OF DEDUCTIONS AND SPECIAL EXPENSES Proof of deductions and special expenses must be provided by way of medical letters, pay stubs, cancelled cheques or receipts. A description and reason for special expenses must be given.



SECTION
CALCULATION OF SUBSIDY
- NET FAMILY INCOME

SUBJECT EXCLUDED DEDUCTIONS

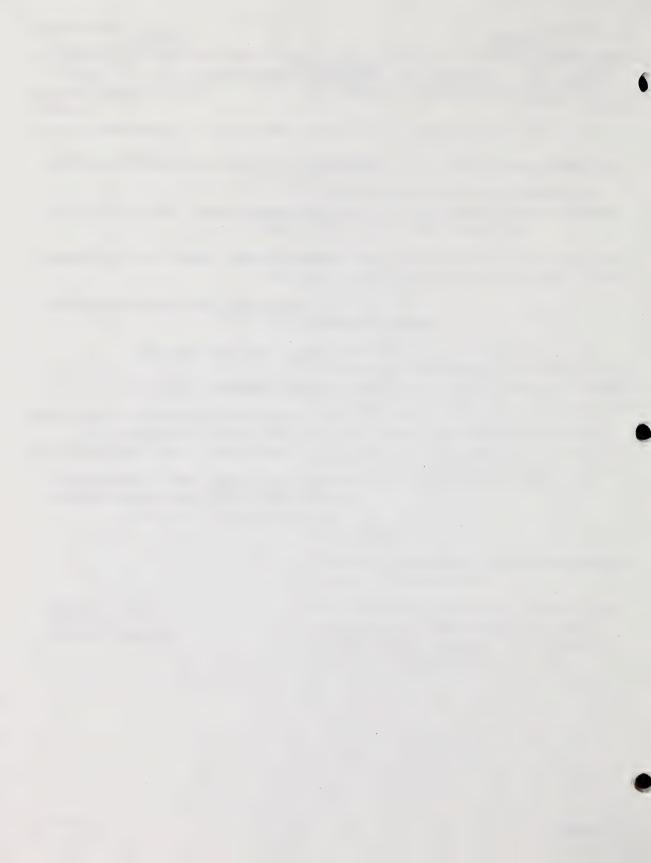
PAGE 1

15/05/93

#### **EXCLUDED DEDUCTIONS**

The following shall not be allowed as deductions from family income.

- <u>Transportation Costs</u>. Includes travel to and from work.
- Shelter Expenses. Such as rent, mortgage or hotel costs.
- <u>Social Club Fees</u>. For coffee fund, company parties, etc.
- Parking, other than mandatory.
- Medical Expenses. Such as:
  - recoverable amounts from health plans to which applicant belongs; or
  - irregular costs for non-prescription drugs
- Garnisheed Wages. With the exception of maintenance and/or child support payments and Alberta Health Care arrears.





SECTION
CALCULATION OF SUBSIDY
- NET FAMILY INCOME

SUBJECT
SELF-EMPLOYMENT

PAGE 1

DATE 18/05/93

NET INCOME -SELF-EMPLOYMENT Net income from self-employment means income after allowable business expenses and deductions are subtracted. Allowable expenses and deductions are as defined by the Child Care Subsidy Program.

NON-ALLOWABLE DEDUCTIONS

In determining net income from self-employment for subsidy purposes, the following are non-allowable deductions:

- capital cost allowance or depreciation
- bad debts
- donations

**LOSSES** 

Deficits or losses incurred from self-employment cannot be used to reduce personal earnings or family income derived from other sources. Losses from other years cannot be used to reduce self employed earnings in the current year.

PERSONAL USE BENEFITS

When the family declares that it resides on the business premises, as in the case of farmers, grocery store owners, etc., only 20% of expenses claimed for monthly rent or mortgage, telephone, electricity, heating fuel, property tax and insurance costs will be allowed as a deduction. The other 80% of these expenses will be considered as personal use.

Where family food is taken from the business (grocery store, restaurants) Supports for Independence food rates may be used as a guideline to determine income value.

FIRST PARTY
SELF-EMPLOYMENT (started within the prior 6 months)

Where an applicant verifies recent commencement of first party self-employment and income is difficult to estimate, up to 6 months subsidy may be authorized based on zero income. A review of circumstances will be completed at 6 months to confirm eligibility. The Regional subsidy supervisor may approve additional subsidy to a total of 18 months. At 18 months gainful employment must be established to maintain eligibility for subsidy.



SECTION	
CALCULATION (	OF SUBSIDY
- NET FAMILY IN	COME

SUBJECT
SELF-EMPLOYMENT

PAGE 2

\_\_\_\_

DATE 18/05/93

FIRST PARTY
SELF-EMPLOYMENT
(more than 12 months)

For first-party self-employed applicants (more than 12 months), subsidy will be based on the previous year's income tax return.

If gainful self-employment is established and eligibility for subsidy is determined, the next scheduled review date may be extended to a maximum of 12 months. Gainful employment is determined by multiplying the number of hours worked by the minimum wage per hour or whether the applicant has earned sufficient income to live on within the month. Minimally fulltime gainful employment equals 7 hours a day x minimum wage x 20 days per month.

Where gainful self-employment is not established, the Regional subsidy supervisor may approve subsidy up to six months.

SECOND PARTY SELF-EMPLOYMENT For second party self-employed applicants, 3 months of income verification is required.

VERIFICATION OF SELF-EMPLOYMENT INCOME

Personal income tax records may be required to verify income. The personal income tax records should already be adjusted to reflect adjustments from business income to taxable income. If self-employed applicants do not have a personal income tax completed for the prior year, they must complete a self employed application. Where income is variable, monthly averages should be determined from available documentation.

If requested, documentation to support all income and expense items must be available for review.

Expense items will only be allowed if they were incurred to earn income.



RATE STRUCTURE
- GENERAL

SUBJECT
MINIMUM AND MAXIMUM
SUBSIDY ASSESSMENT

PAGE

DATE 15/05/93

1

**SUMMARY** 

This Division discusses how the actual amount of subsidy benefits is determined.

MINIMUM FAMILY ASSESSMENT

Every family qualifying for subsidy is generally assessed a minimum of \$40 for each calendar month. The minimum assessment applies to the family unit regardless of the number of children in child care. It is not assessed for each child.

Some families are assessed more than the \$40 minimum. This is dependent upon net family income, number of dependents and parent composition.

The \$40 minimum applies to all families applying for subsidy.

MAXIMUM SUBSIDY BENEFITS

Maximum subsidy benefits change with each phase of the Day Care Reforms. Since each family is assessed the \$40 minimum, the maximum subsidy paid for a family will be at rates current for that phase of the Day Care Reforms. Current maximums and outlines of qualifying incomes are included in the appendix. Please contact your regional subsidy office for further information.

Net family income, family size and number of preschool children in preschool care determines the amount a particular family pays.

SUPPORTS FOR INDEPENDENCE (SFI), AISH, INDIAN AFFAIRS WELFARE BENEFITS RECIPIENTS If a family is currently in receipt of SFI, AISH or Indian Affairs Welfare benefits and meets the eligibility requirements for child care subsidy, the family will not be income tested. They will receive the maximum subsidy. The Supports for Independence and Indian Affairs Welfare Benefits programs cover the parent portion of the day care fee. If a day care centre or family day home agency charges more than the subsidy maximum per month for child care, the parent should discuss the extra



RATE STRUCTURE
- GENERAL

SUBJECT
MINIMUM AND MAXIMUM
SUBSIDY ASSESSMENT

PAGE 2

DATE 15/05/93

charges with the Supports for Independence or Indian Affairs Welfare Benefits social workers.



SECTION APPENDIX	DETERMINATION OF BENEFITS	PAGE 1	
		DATE 15/05/93	

**CRITERIA** 

Eligibility for child care subsidy depends on the number of parents and children in the family, the ages of the children in day care, and the net family income.

**DETERMINATION OF BENEFITS** 

The calculation of eligible subsidy is done via a computerized system. The following chart gives some indication of the net qualifying income levels for maximum and partial subsidy by family type. For example, a single parent with one infant could earn a net monthly income of up to \$1,380 per month and still qualify for maximum subsidy. A single parent with one infant could earn up to \$2,040 per month and still qualify for partial subsidy. A two-parent family with one infant could earn a net monthly income up to \$1,580 and qualify for maximum subsidy or up to \$2,240 and still qualify for partial subsidy.

The tax back rate is the rate at which partial subsidy is reduced as income increases. The tax back rate in the Subsidy Program is 50%, which means that as net monthly income increases by \$10, the amount of subsidy decreases by \$5. The tax back rate commences as soon as net monthly family income rises above the income limit for maximum subsidy.

SECTION APPENDIX SUBJECT
DETERMINATION OF BENEFITS

PAGE 2

DATE

15/05/93

## Estimated Qualifying Income Levels for Subsidy 1993/94

	One Parent Family				Two Parent Family			
a dia en	1 infant	1 non-infant	1 infant, 1 non-infant	2 non-infants	1 infant	1 non-infant	1 infant, 1 non-infant	2 non-infants
Net monthly income limit for maximum subsidy	up to \$1,380	up to \$1,380	up to \$1,500	up to \$1,500	up to \$1,580	up to \$1,580	up to \$1,680	up to \$1,680
Est. annual gross income limit for maximum subsidy	18,710	18,710	20,340	20,340	21,425	21,425	22,780	22,780
Maximum monthly subsidy (-\$40)	370	300	670	600	370	300	670	600
Net monthly income limit for partial subsidy	2,040	1,900	2,760	2,620	2,240	2,100	2,940	2,800
Est. annual gross salary limit for partial subsidy	27,660	25,765	37,425	35,525	30,375	28,475	39,865	37,970



